

Hong Kong Marks 20th Anniversary of Handover to Chinese Sovereignty

June 30, 2017

On July 1, 1997, Hong Kong returned to Chinese sovereignty in accordance with the “[Joint Declaration of the Government of the United Kingdom of Great Britain and Northern Ireland and the Government of the People’s Republic of China \(PRC\) on the Question of Hong Kong](#)” (Joint Declaration) and the “[Basic Law of the Hong Kong Special Administrative Region \(HKSAR\)](#)” (Basic Law). Twenty years later, some observers, including some Members of Congress, question the PRC government’s commitment to the Joint Declaration and the Basic Law, and have proposed changing U.S. relations with China and Hong Kong accordingly.

“One Country, Two Systems”

Originally formulated for the future resolution of Taiwan’s relationship with the PRC, China and the United Kingdom adopted the “[One Country, Two Systems](#)” policy during the Joint Declaration negotiations. Under “One Country, Two Systems,” Hong Kong would be afforded “a high degree of autonomy, except in foreign and defence affairs,” and its “current social and economic systems in Hong Kong will remain unchanged.” The Basic Law provides the HKSAR government with “executive, legislative and independent judicial power, including that of final adjudication, in accordance with the provisions of this Law.”

China’s National People’s Congress Standing Committee (NPCSC), however, has periodically “interpreted” the Basic Law in a manner some observers maintain violates Hong Kong’s “high degree of autonomy” and undermines its “independent judicial power.” In November 2016, while Hong Kong’s High Court was considering a case determining the legitimacy of two prodemocracy Legislative Council (Legco) members’ oaths, the [NPCSC issued an “interpretation”](#) of Article 104, setting new conditions for the taking of oaths of office (see CRS Insight IN10605, *China and the Hong Kong High Court Issue Decisions on Legislative Council Controversy (Update)*). Subsequently, outgoing Hong Kong Chief Executive [Leung Chun-ying filed another suit](#) to have four more prodemocracy Legco members removed from office for allegedly failing to take their oaths in the manner prescribed by the NPCSC’s interpretation.

Democratization and Self-Determination

The Basic Law also states that the “ultimate aim is the selection of the Chief Executive by universal suffrage upon nomination by a broadly representative nominating committee in accordance with

democratic procedures” and “the election of all the members of the Legislative Council (Legco) by universal suffrage.” Currently, the Chief Executive is selected by an Election Committee reportedly influenced by the PRC government, and half of the 70 Legco members are not elected by universal suffrage (see CRS In Focus IF10500, *Hong Kong’s Legislative Council (Legco)*).

In late 2014, more than 100,000 Hong Kong residents participated in a large-scale demonstration, dubbed the “[Umbrella Movement](#),” calling for the Chief Executive’s election by “genuine universal suffrage.” In June 2015, Legco defeated a proposal submitted by the HKSAR government to elect the Chief Executive by universal suffrage because it placed restrictions on the nomination process (see CRS Insight IN10298, *Hong Kong’s Legislative Council Votes Down Chief Executive Election Reform*).

Several new political parties emerged out of the Umbrella Movement, receiving their greatest support from Hong Kong’s youth. Some of these new parties have called for Hong Kong independence, a return to British colonial rule, and the right of self-determination for the people of Hong Kong. In May 2017, NPCSC Chairman [Zhang Dejiang warned](#) that the PRC “cannot turn a blind eye” to “attempts to turn Hong Kong into an independent or semi-independent political entity.”

Some Hong Kong political leaders are concerned that the PRC and HKSAR governments are attempting to purge Legco and the city’s political system of prodemocracy advocates. The day after Carrie Lam Cheng Yuet-ngor was selected as the HKSAR’s next Chief Executive, [nine of the Umbrella Movement leaders were arrested](#) for “causing a public nuisance.”

Civil Liberties

Some commentators also claim there has been an erosion of civil liberties in Hong Kong. [Press freedom has reportedly declined](#) due to self-censorship, multiple attacks on journalists, and the purchase of major media outlets by mainland Chinese companies. In 2016, [five Hong Kong booksellers “disappeared”](#) from Hong Kong, mainland China, and Thailand, and reappeared in police custody in mainland China by still-unexplained means. The British Foreign Secretary has described these disappearances as a “[serious breach](#)” of the Joint Declaration. In February 2017, business tycoon [Xiao Jianhua was forcibly removed](#) from his hotel room in Hong Kong and taken into mainland China, possibly by mainland law enforcement agents.

Economic Issues

Hong Kong remains a major trade and financial hub in Asia for U.S. businesses. According to some economists, [the city has become more reliant on mainland China over the last 20 years](#), while China has become less dependent on Hong Kong to be its window to the world. In addition, structural changes in Hong Kong’s economy have [increased income and wealth disparities](#). Declining economic prospects have contributed both to disillusionment among some of Hong Kong’s youth and to their support for the new political parties. In addition, the NPCSC’s intervention into Hong Kong court cases has raised doubts about Hong Kong’s rule of law, which is considered crucial for the HKSAR’s role as an international trade and financial center.

U.S. Policy

The United States-Hong Kong Policy Act of 1992 (P.L. 102-383) continues the United States’ separate treatment of Hong Kong from China under U.S. law unless the President determines and certifies to Congress that Hong Kong is no longer sufficiently autonomous to warrant such treatment. In a June 2017 review, the [State Department stated](#), “Hong Kong generally maintains

a high degree of autonomy under the ‘one country, two systems’ framework, more than sufficient to justify continued special treatment by the United States for bilateral agreements and programs.” A bill introduced in the 115th Congress, the Hong Kong Human Rights and Democracy Act of 2017 (S. 417), would modify the United States-Hong Kong Policy Act to require an annual report on, and recertification of, Hong Kong’s autonomy, and would impose sanctions on persons determined to be responsible “for the surveillance, abduction, detention, abuse, or forced confession” of Hong Kong residents attempting to exercise their civil liberties.

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